

**Testimony of Margaret Ann Smith
Before the
United States House of Representatives Agriculture Committee
Farm Bill Field Hearing - July 17, 2006
Staunton, Virginia**

Good morning. Chairman Goodlatte, welcome home. The Honorable Members of the House Committee on Agriculture welcome to Virginia's Shenandoah Valley. My name is Margaret Ann Smith, I am a young farmer. I operate a mid-sized cattle farm along with my family in Rockbridge County only a few miles away from this location.

It is my understanding the federal farm legislation and programs are intended to provide stability, economic stability for farmers and ranchers, economic stability for rural communities dependent upon agriculture, and ultimately the stability, abundance and security of our nation's food supply which all citizens are accustomed and expect. As a young farmer I am concerned about what future Farm Bills hold for the stability of not only beginning farmers, but all farmers.

There are several organizations and individuals calling for significant changes to current federal farm policy. I urge you to resist major changes and stay the course for production agriculture. Reducing total agricultural spending or shifting portions of remaining dollars from production agriculture to conservation initiatives does not strengthen American agriculture's safety net. Reducing support to America's production agriculture in the next Farm Bill only acquiesces to foreign interests and weakens our nation's ability to negotiate for a fairer WTO agreement.

When I can not feed my cattle because a drought destroys my pasture and hay land, a safety net will help keep me in business, not a conservation program, that I may or may not qualify for because of a bureaucratic ranking of my watershed's status or because I can not afford to spend the money for the producer's share. Federal farm legislation must include

programs that provide a safety net for all types of agriculture, including permanent disaster assistance for all crops, livestock, including equine, and poultry.

The next Farm Bill should reform federal crop insurance programs by providing farm income or cost of production coverage options for all producers. After all, it doesn't matter whether a farmer produces corn or cattle; it's the production-generated revenue that is critical for farmers to pay their bills. We're certainly not taxed differently if we raise corn versus cattle and the IRS doesn't accept bushels of grain for tax payments.

The next Farm Bill needs to continue the counter cyclical payment and marketing loan programs with significantly higher payment limitations while retaining planting flexibility. County yields need to reflect current proven producer yields, LDP basis calculations should reflect the actual nearby or in-state cash market conditions. Some argue that these payment programs keep grain prices low and limit the amount of tax dollars being spent on conservation. Anyone that feeds grain to livestock or poultry benefits from low or stable priced grain. Also, I am curious how grain producers receiving program payments are supposed to benefit from additional conservation spending, when they must already comply with federal conservation requirements in order to receive the program payments in the first place. Some of the proposals for increased conservation funding would increase CRP and WRP enrollment which means I will probably have to compete with the federal government to rent pasture and hay land from my neighbors. Conservation agencies tend to have "pet watersheds" and "pet programs" with a variety of participation conditions, so regardless of any technical need that my farm may have for a conservation practice, I may or may not benefit from additional conservation funding.

Speaking of participation conditions, these quasi-regulatory conditions often double as regulatory creep. For example, the Virginia State Office of the NRCS is currently drafting a

Biosecurity standard for inclusion in its Field Office Technical Guide. The proposed standard would, among other things, require producers participate in the National Animal Identification System. State NRCS staff has suggested the Biosecurity standard will be required of all livestock and poultry producers receiving future financial assistance for federal conservation programs in Virginia. In essence NRCS would require Virginia livestock producers who receive federal cost-share to participate in a highly controversial voluntary program which is still under development and administered by another USDA agency, APHIS.

However, conservation programs are necessary for farmers to continue to do their part to conserve soil and protect water quality for the benefit of all. But simply directing additional dollars to these programs without providing convenient access to adequate technical field staff does not equate to improved stewardship. Farmers need timely access to both NRCS and FSA field staffs.

The United States agricultural production portfolio is as grand in scale as it is diverse in scope. Numerous regional and commodity based differences exist in U. S. production agriculture. All crops and livestock types need to be included in the safety net. Federal programs need to address the differences, but not necessarily with the same program. For example, corn prices are likely to trend higher due to increased ethanol production, the livestock producers would benefit greatly from additional research concerning the use of the ethanol co-product, distillers' grain solubles, as an alternative feedstock.

The next Farm Bill must continue to look to the future. We must continue programs and funding that encourage new and beginning farmers to enter agriculture. Markets are continually evolving, both domestic and abroad, market development funding and assistance are necessary for farmers to produce for the market. Programs and funding are also needed that preserve

highly productive farmland without unduly restricting property owners' rights and ability to farm preserved lands. But I can tell you this; a strong and stable U.S. agricultural economy will attract more new farmers and will keep more land in production than any federal set-asides.

It is very important for the future of American agriculture and its farmers that the federal farm programs provide a reliable and meaningful safety net for all crop and livestock types. If farmers can not make a decent living and return on their investment, all of the conservation programs and trade concessions in the world will not keep them in business. The stability and security of the United States is tied to the stability and prosperity of the American farmer. In closing, I'd like to quote a fellow young farmer from Georgia, Mr. Ben Boyd, "If you like being dependent on foreign oil, you're gonna love being dependent on foreign food." Thank you.

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Smith Farms

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Committee on Agriculture
U.S. House of Representatives
Required Written Disclosure Form

House Rules^a require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2004.

Name: MARGARET ANN SMITH
Address: P.O. BOX 43, LEXINGTON, VA 24450
Telephone: 540-460-4899
Organization you represent (if any): NONE

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2004, as well as the source and the amount of each grant or contract. House Rules do **NOT** require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: NONE APPLICABLE Amount: _____
Source: NONE APPLICABLE Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2004, as well as the source and the amount of each grant or contract:

Source: _____ Amount: _____
Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: _____

Signature: MA Smith

^a Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

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VA FARM BUREAU

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: MARGARET ANN SMITH
2. Business Address: P.O. Box 43, HD PINE FOREST RD.
LEXINGTON, VA 24450
3. Business Phone Number: 540-460-4899
4. Organization you represent: _____
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:
OWNER/OPERATOR OF A COW/CALF AND FEEDER CATTLE
FARM.
6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:
BS. KANSAS State Univ., 2003; Majors - Animal
Science & Agricultural Economics, Minors - Finance
& Business
7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

PLEASE ATTACH THIS FORM ~~OR YOUR BIOGRAPHY~~ TO EACH COPY OF TESTIMONY.